

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE

Bulletin 89-5
Issued this 23rd Day of
June, 1989

NOTICE TO ALL INSURERS LICENSED TO
WRITE INSURANCE IN MINNESOTA

THE MINNESOTA INSURANCE FAIR INSURANCE REPORTING ACT

In 1989, Minnesota enacted the Minnesota Insurance Fair Information Reporting Act regulating the collection, dissemination and disclosure of personal information maintained by insurers and insurance agents on individuals. The following is a summary of the Act. IMPORTANT: DO NOT CONSTRUE THIS BULLETIN AS A COMPLETE EXPLANATION OF ALL 1989 LEGISLATIVE CHANGES. YOU ARE RESPONSIBLE FOR REVIEWING THE STATUTES IN THEIR ENTIRETY AND ENSURING THAT YOU ACHIEVE AND MAINTAIN FULL COMPLIANCE.

EFFECTIVE DATES

Except for Section 6 of the Act pertaining to certain notices (described below), insurers must comply with the Act as of August 1, 1989, regardless of the date information is received.

Section 6 of the Act, requiring insurers and insurance agents to provide certain notices of information practices to applicants and policyholders, will be effective on January 1, 1990. However, until July 1, 1990, insurers may use notices that are in substantial compliance with this section, even though they have not been approved by the Commissioner of Commerce.

SUMMARY

1. NOTICE: Each insurer or insurance agent must provide a written notice relating to its information collection and disclosure practices to each applicant or policyholder. In most cases, the notice must be delivered no later than the time the application is made. Details as to the content and the timing of the notice are included in Section 6 of the Act. Certain exceptions may apply for a group policy or contract that is not individually underwritten. It is anticipated that the notice will be contained on the application form.
2. ACCESS TO PERSONAL INFORMATION: An insurer, insurance agent or insurance-support organization must respond within 30 days to a written request by an individual for access to medical information about that individual. The individual must be permitted to review and obtain copies of the personal

information. The individual is not entitled to access privileged information, as defined by the Act.

3. CORRECTION, AMENDMENT OR DELETION OF PERSONAL INFORMATION: An individual may request in writing to have certain personal information corrected. An insurer, insurance agent or insurance-support organization must respond within 30 business days of the request. If the request is denied, the individual must be permitted to file an explanatory statement concerning the personal information at issue. In addition, the individual may file an appeal with the Commissioner of Commerce to have the information corrected.
4. REASONS FOR ADVERSE UNDERWRITING DECISIONS: An insurer or insurance agent who makes an adverse underwriting decision must provide an applicant, policyholder or individual proposed for coverage with a written notice of the specific reasons for the decision. Certain exemptions and limitations from this provision apply. In addition, an insurer, insurance agent or insurance-support organization shall not base an adverse underwriting decision, in whole or in part, on the fact that a previous adverse underwriting decision exists.
5. DISCLOSURE OF INFORMATION: An insurer, insurance agent or insurance-support organization must not disclose any personal or privileged information on a person collected or received in connection with an insurance transaction without the written authorization of that person. Section 14 of the Act describes the exceptions to this requirement. Thereafter, if you disclose information, you are required to send written notice to the person (who is the subject of the data) within ten (10) days of disclosure.
6. DISCLOSURE AUTHORIZATION: Section 13 of the Act specifies the content of the authorization form to be used by an insurer, insurance agent or insurance-support organization to disclose or collect personal information. Careful attention should be paid to the length of time that such authorization shall remain valid.
7. OBTAINING INFORMATION BY IMPROPER MEANS: Section 16 of the Act provides that any person who knowingly and willfully obtains information by improper means may be subject to a fine not to exceed \$3,000, or imprisonment not to exceed one year, or both.



MICHAEL A. HATCH
Commissioner of Commerce